

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

1 2 - 20

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH FINANCING ADMINISTRATION  
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

November 1, 2012

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 2013 \$ 0

b. FFY 2014 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Page 36

Attachment 4.19-B, Page 20

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

N/A – New Pages

10. SUBJECT OF AMENDMENT:

Establishment of a Rural Access Pool.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

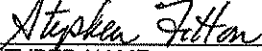
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

December 10, 2012

16. RETURN TO:

Medical Services Administration

Actuarial Division

Capitol Commons Center - 7th Floor

400 South Pine Street

Lansing, Michigan 48933

Attn: Loni Hackney

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates  
(Other than Inpatient Hospital and Long Term Care Facilities)***

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**RURAL ACCESS POOL**

THE STATE WILL ESTABLISH A RURAL ACCESS POOL BEGINNING IN FY 2013 FOR HOSPITALS THAT PROVIDE MEDICAID SERVICES TO LOW INCOME RURAL RESIDENTS. TO BE ELIGIBLE FOR THIS POOL, HOSPITALS MUST BE CATEGORIZED BY THE CENTERS FOR MEDICARE & MEDICAID SERVICES AS A SOLE COMMUNITY HOSPITAL, OR MEET BOTH OF THE FOLLOWING CRITERIA.

1. A HOSPITAL MUST HAVE 50 OR FEWER STAFFED BEDS. THE STATE WILL CALCULATE STAFFED BEDS BY DIVIDING THE TOTAL HOSPITAL DAYS REPORTED BY THE HOSPITAL ON ITS MEDICAID COST REPORT WITH A FISCAL YEAR ENDING BETWEEN OCTOBER 1, 2010 AND SEPTEMBER 30, 2011, BY THE NUMBER OF DAYS COVERED IN THE COST REPORT; AND
2. A HOSPITAL MUST BE LOCATED IN A COUNTY WITH A POPULATION OF NOT MORE THAN 165,000 AND WITHIN A CITY, VILLAGE, OR TOWNSHIP WITH A POPULATION OF NOT MORE THAN 12,000. THE POPULATION THRESHOLD WILL BE MEASURED AGAINST POPULATION COUNTS FROM THE 2000 FEDERAL DECENNIAL CENSUS.

EACH HOSPITAL'S ALLOCATION FROM THIS POOL WILL BE CALCULATED AS THE UNREIMBURSED COST THE HOSPITAL INCURRED PROVIDING INPATIENT SERVICES TO MICHIGAN MEDICAID BENEFICIARIES DURING ITS COST PERIOD THAT ENDED DURING THE SECOND PREVIOUS FISCAL YEAR. FOR EXAMPLE, TO CALCULATE THE 2013 POOL, HOSPITAL COST REPORTS WITH FISCAL YEARS ENDING BETWEEN OCTOBER 1, 2010 AND SEPTEMBER 30, 2011 WILL BE USED. THE FOLLOWING GROSS MEDICAID PAYMENTS FROM THIS COST REPORT PERIOD WILL BE APPLIED AGAINST COST TO DETERMINE UNREIMBURSED COST: OPERATING, CAPITAL, GRADUATE MEDICAL EDUCATION, EXECUTIVE ORDER REDUCTIONS, AND MEDICAID ACCESS TO CARE INITIATIVE, OR ANY OTHER SUPPLEMENTAL PAYMENT.

IN THE AGGREGATE, THE STATE REIMBURSES HOSPITALS UP TO MAXIMUM ALLOWABLE UNDER THE FEDERAL UPPER PAYMENT LIMITS FOR INPATIENT SERVICES PROVIDED TO MEDICAID BENEFICIARIES. TO KEEP TOTAL MEDICAID FEE-FOR-SERVICE PAYMENTS TO HOSPITALS WITHIN THE FEDERAL UPPER PAYMENT LIMITS, THE STATE WILL REDUCE THE SIZE OF THE APPLICABLE YEAR'S MACI POOL PAYMENTS BY THE SIZE OF THE RURAL ACCESS POOL.

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TN NO.: 12-XX

Approval Date: \_\_\_\_\_

Effective Date: 11/01/2012

Supersedes

TN No.: N/A – New Page

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**Customer** MDCH/ACTUARIAL DIVISION  
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**Customer EMail** SmithP2@Michigan.gov  
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PUBLIC NOTICE Michigan Department of Community Health Medical Services Administration Establishment of a Medicaid Rural & Sole Community Hospital (SCH) Pool Pursuant to Boilerplate Section 1866.

Products	Placement	Classification	# Runs	Run Dates
..DN::	Bulletin Board	0080-Legal Notices Bids Proposa	1	10/25/2012
..FP::	Bulletin Board	0080-Legal Notices Bids Proposa	1	10/25/2012
Internet:	Bulletin Board	0080-Legal Notices Bids Proposa	1	10/25/2012

**PUBLIC NOTICE**  
 Michigan Department of Community Health Medical Services Administration  
 Establishment of a Medicaid Rural & Sole Community Hospital (SCH) Pool  
 Pursuant to Boilerplate Section 1866 of the Michigan Public Health Act  
 Year 2012, the State Fiscal Year 2012 appropriation, the Michigan Department of Community Health will establish a Medicaid Rural & Sole Community Hospital (SCH) Pool. The changes effective November 1, 2012. This process will be completed in a manner that is budget neutral to the State of Michigan, as the Medicaid program is a self-funded program. The SCH pool will be funded by a combination of Federal Medicaid upper payment limits for hospitals.

Any comment on or request for copies of the Notice of Proposed Policy may be submitted in writing to: Michigan Department of Community Health, Attention: Medicaid Rural & Sole Community Hospital (SCH) Pool, P.O. Box 30479, Lansing, Michigan 48909-7979. Written comments may be received by the Department of Community Health, Attention: Medicaid Rural & Sole Community Hospital (SCH) Pool, P.O. Box 30479, Lansing, Michigan 48909-7979. Request for copies and comments must include the subject number. There is no public hearing scheduled for this proposed policy.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates  
(Other than Inpatient Hospital and Long Term Care Facilities)***

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Effective Date: 11/01/2012

Supersedes

TN No.: N/A – New Page



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH  
LANSING

RICK SNYDER  
GOVERNOR

OLGA DAZZO  
DIRECTOR

August 16, 2012

NAME  
TITLE  
ADDRESS  
CITY STATE ZIP

Dear Tribal Chair and Health Director:

**RE:** Rural & Sole Community Hospital Pool

This letter, in compliance with Section 6505 of the Affordable Care Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

The Michigan Department of Community Health (MDCH) is notifying you of its intent to submit a State Plan Amendment that will establish a Fiscal Year 2013 pool for hospitals that serve low-income rural residents pursuant to Boilerplate Section 1866 of Public Act 200 of 2012, the State Fiscal Year 2013 appropriation. It is estimated that this pool will total \$8,200,000. The change is effective October 1, 2012.

You may submit comments regarding this Notice of Intent to [msapolicy@michigan.gov](mailto:msapolicy@michigan.gov). If you would like to discuss the Notice of Intent, please contact Mary Anne Tribble, Medicaid Liaison to the Michigan Tribes. Mary Anne can be reached at (517) 241-7185 or via e-mail at [tribblem1@michigan.gov](mailto:tribblem1@michigan.gov).

There is no public hearing scheduled for this SPA.

Sincerely,

Stephen Fitton, Director  
Medical Services Administration

cc: Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office  
Mary Anne Tribble, MDCH

**Distribution List for L 12-33  
August 16, 2012**

Mr. Kurt Perron, Tribal Chairman, Bay Mills Indian Community  
Ms. Laurel Keenan, Health Director, Bay Mills (Ellen Marshall Memorial Center)  
Mr. Derek J. Bailey, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians  
Ms. Loi Chambers, Health Director, Grand Traverse Band Ottawa/Chippewa  
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community  
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center  
Mr. W. Chris Swartz, President, Keweenaw Bay Indian Community  
Ms. Carole LaPointe, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility  
Mr. Alan Shively, Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians  
Ms. Terry Fox, Health Director, Lac Vieux Desert Band  
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians  
Mr. Bob Davis, Health Director, Little River Band of Ottawa Indians  
Mr. Dexter McNamara, Tribal Chairman, Little Traverse Bay Band of Odawa Indians  
Ms. Sharon Sierzputowski, Health Director, Little Traverse Bay Band of Odawa  
Mr. DK Sprague, Tribal Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)  
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi  
Mr. Homer Mandoka, Vice Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians  
Mr. Jon Gardner, Health Director, Huron Potawatomi Inc.- Tribal Health Department  
Mr. Matt Wesaw, Tribal Chairman, Pokagon Band of Potawatomi Indians  
Mr. Arthur Culpepper, Health Director, Pokagon Potawatomi Health Services  
Mr. Dennis V. Kequom Sr, Tribal Chief, Saginaw Chippewa Indian Tribe  
Ms. Gail George, Health Director, Nimkee Memorial Wellness Center  
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians  
Ms. Bonnie Culfa, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

**CC:**

Leslie Campbell, Region V, CMS  
Pamela Carson, Region V, CMS  
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan  
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.  
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Mary Anne Tribble, MDCH